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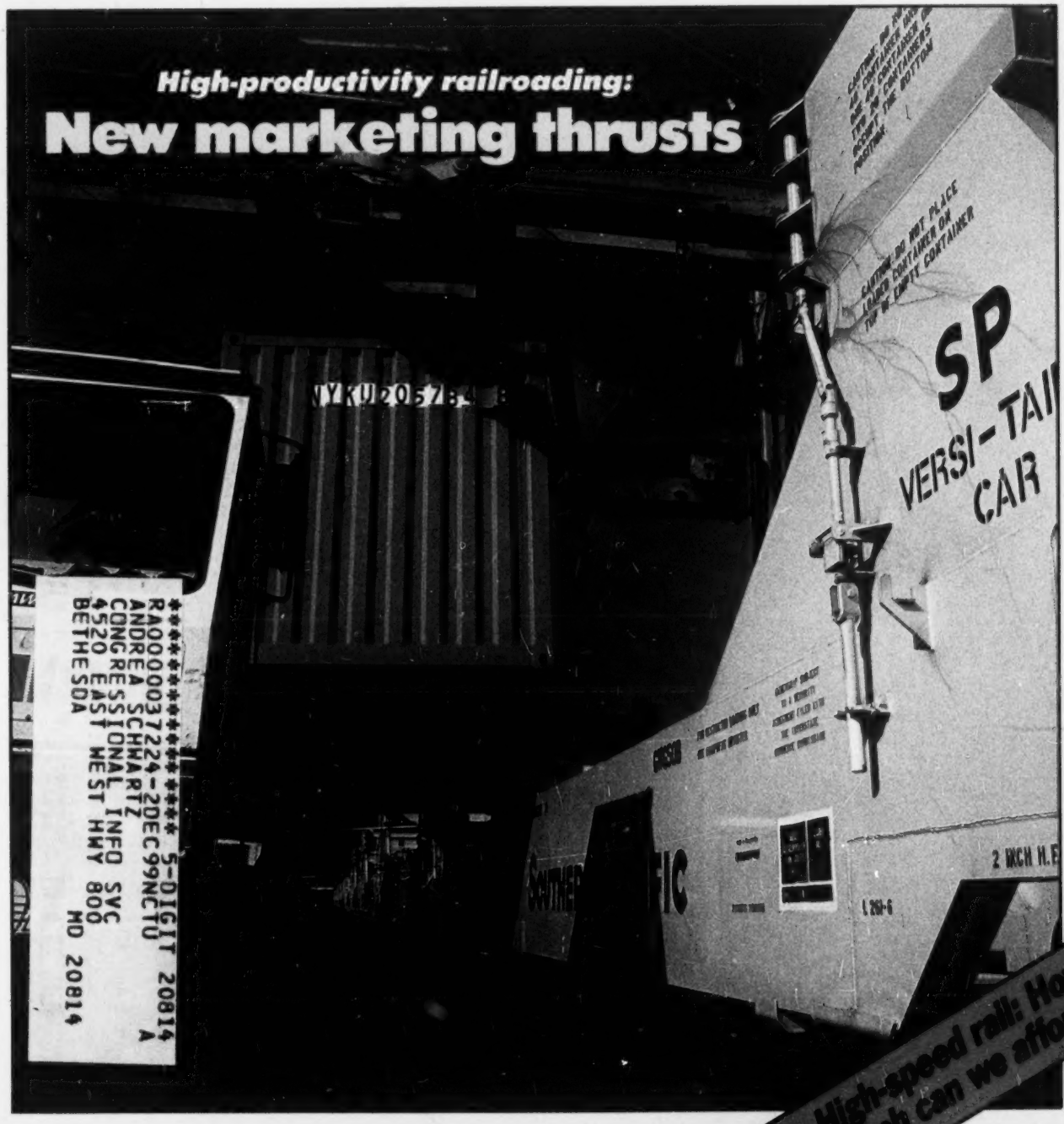
April 1986

Railway Age

...for the new age of railways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High-productivity railroading:
New marketing thrusts

High-speed rail: How much can we afford?

April 1986

Railway Age

...for the new age of railways

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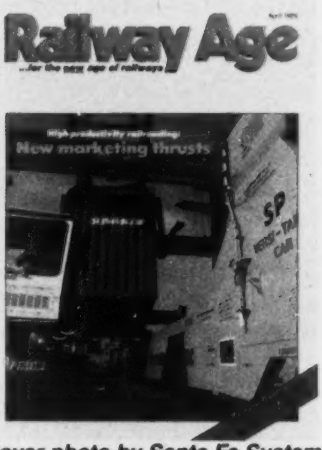

Cover photo by Santa Fe System photographer Orville Brent, Jr.

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Market Outlook

Financial

Canadian National: Is offering $100 million of eight-year notes bearing interest at an annual rate of 9⅞% in the Euro-Canadian market. Proceeds will be used for general corporate purposes, which may include capital expenditures, short term and other investments, and reduction of short term indebtedness.

Santa Fe: Plans to invest $382.1 million in railroad capital improvements in 1986, up from $379.2 million in 1985. Nearly one-third of total outlays will be for equipment. (Details p. 22)

Facilities

Caltrans: Awarded a contract to STV/Seelye Stevenson Value & Knecht for preliminary engineering design of a new centralized service, inspection and maintenance facility for Cal-Train Peninsula Commute Service. Bechtel Corp. is SSV&K's key consultant. The new facility, for which a site has not yet been selected, will consolidate various service, inspection and maintenance functions currently performed at several separate locations.

Kaoshiung (Taiwan): Engaged American Transit Consultants (ATC) to develop a preliminary implementation plan for a medium-capacity transit system. ATC includes Kaiser Engineers International, Bechtel Civil & Minerals, and Parsons Brinckerhoff International. ATC will refine an earlier study, by National Chiao Tung University's Department of Transportation Engineering and Management, which recommended a grade-separated system in downtown Kaoshiung along a 9.5-mile route.

Southeastern Pennsylvania Transportation Authority: Selected Stone & Webster Engineering Corp. to design and draw up specifications for the modernization of Wayne Junction substation, a four-year, $35-million project.

Sperry Corp.: Will supply computer systems valued at $5.8 million to two Yugoslavian railways. A $3.25-million 1100/73 multiprocessor system will go to Slovenian Railways, headquartered in Ljubliana. A $2.6-million 1100/72 system will go to Croatian Railways in Zagreb.

Revenue freight carloadings

Commodity	March 8 week	March 1 week	Feb. 22 week	Feb. 15 week
Grain	21,690	21,300	20,631	23,174
Other farm products	3,281	2,930	2,493	2,909
Metallic ores	12,600	13,260	12,232	11,399
Coal	111,769	110,576	112,815	106,248
Crushed stone, gravel and sand	11,643	10,856	9,587	8,833
Nonmetallic minerals	8,982	10,737	8,190	9,525
Grain mill products	10,811	10,662	10,454	10,892
Food and kindred products	10,647	11,139	10,208	10,875
Primary forest products	11,293	11,523	11,337	10,909
Lumber and wood products except furniture	7,863	8,506	7,440	7,403
Pulp, paper and allied products	13,537	14,183	13,814	13,497
Chemicals and allied products	25,214	26,828	24,028	24,914
Petroleum products	4,684	4,519	4,162	5,168
Stone, clay and glass products	10,102	9,501	8,718	8,525
Coke	4,837	4,855	4,704	5,002
Metals and products	8,525	9,735	8,553	8,004
Motor vehicles and equipment	23,150	23,447	23,307	22,851
Waste and scrap materials	8,644	9,058	8,472	8,713
Forwarder and shipper assn. traffic	5,654	5,822	5,101	5,764
All other carloads	65,094	65,036	57,999	60,580
LCL traffic	133	122	123	135
Total Cars Loaded	**380,153**	**384,595**	**364,368**	**365,320**
% change from previous year	(1.4)	(2.8)	(5.3)	2.4
Estimated revenue ton-miles (billions)	17.3	17.6	16.8	16.9
% change from previous year	(2.1)	(3.2)	(5.5)	0.7

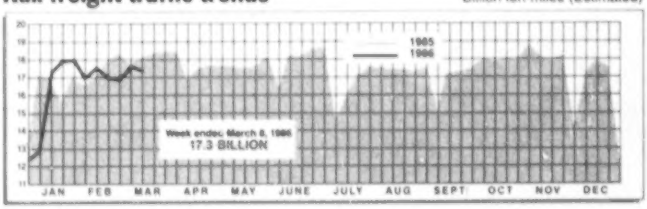
Total:	1986	1985	% change
10 weeks	169.0	165.4	2.2

Piggyback loadings

	March 1 week	Feb. 22 week	Feb. 15 week	Feb. 8 week
Trailers/containers	99,996	92,950	95,193	98,401

Cumulative total, 9 weeks		% change from 1985
Trailers/containers	827,285	13.0

Rail freight traffic trends



Source: Association of American Railroads

Freight cars

	DELIVERED			ORDERED			ON ORDER AND UNDELIVERED		
	February	2 months		February	2 months		March 1,	Average Backlog	
	1986	1986	1985	1986	1986	1985	1986	1986	1985
Built new by carbuilders	544	987	1,717	1,425	1,925	1,053	2,697	2,257	3,974
Built new in RR shops	0	0	336	0	0	0	0	0	70
Built new—total	**544**	**987**	**2,053**	**1,425**	**1,925**	**1,053**	**2,697**	**2,257**	**4,044**
Rebuilt	0	0	0	50	50	0	50	25	0
TOTAL	**544**	**987**	**2,053**	**1,475**	**1,975**	**1,053**	**2,747**	**2,282**	**4,044**
Locomotives (new and rebuilt)	10	21	49	N/A	N/A	N/A	224	186	244

Source: Transportation Div., AAR and American Railway Car Institute

A RAILWAY AGE SERVICE PAGE

REVENUES AND EXPENSES OF RAILWAYS

Fourth quarter figures of calendar year 1985

(Dollar figures are stated in thousands, i.e., with last three digits omitted)

		Operating revenues				Operating expenses													
						Way & structures			Equipment										
		Freight	Other	Total 1985	Total 1984	Total 1985	Total 1984	1985 Deprec.	Total 1985	Total 1984	1985 Deprec.	Total 1985	Total 1984	Operating Ratio 1985	Operating Ratio 1984	Income after fixed charges 1985	Income after fixed charges 1984	1985 Net Ry. operating income	Net Income 1985	Net Income 1984
Amtrak	3 mos.	—	203,007	203,007	181,107	49,036	58,448	16,585	91,810	100,026	20,972	391,675	398,610	186.01	220.00	(175,126)	(212,291)	(178,668)	(175,126)	(212,291)
	12 mos.	—	823,999	823,999	731,736	232,135	211,794	83,479	378,026	385,517	82,828	1,562,069	1,547,301	191.90	211.45	(737,180)	(791,081)	(758,070)	(737,180)	(791,081)
Atchison, Topeka & Santa Fe	3 mos.	507,845	10,7587	518,603	557,431	83,531	88,237	15,563	121,549	129,970	24,249	481,375	512,120	92.82	91.87	39,756	40,538	26,434	30,729	25,912
	12 mos.	2,099,995	44,365	2,144,360	2,305,444	339,745	343,076	59,244	500,746	535,215	96,157	1,989,150	2,083,277	92.76	90.36	162,209	209,336	119,699	125,792	135,029
Baltimore & Ohio	3 mos.	241,515	9,805	251,320	243,040	78,162	43,096	48,537	88,688	55,434	16,553	389,088	244,225	154.82	100.48	(152,001)	2,116	(80,253)	(76,719)	5,974
	12 mos.	982,980	39,284	1,022,264	1,050,805	204,591	184,715	79,584	292,794	233,980	38,586	1,133,153	984,453	110.84	94.62	(125,515)	53,921	(17,873)	(53,073)	43,656
Boston & Maine	3 mos.	26,962	1,175	28,037	29,745	3,313	4,971	277	10,003	9,287	84	28,450	30,428	101.47	102.29	1,827	(155)	(339)	1,827	(155)
	12 mos.	110,730	4,978	115,708	125,053	15,481	18,265	1,549	38,102	37,287	292	114,873	118,947	99.27	95.11	4,357	7,856	1,131	4,357	7,856
Burlington Northern	3 mos.	960,961	19,946	980,907	1,110,113	148,482	171,739	38,109	179,776	192,803	16,744	808,113	880,877	82.39	79.36	179,279	220,443	184,204	110,679	128,823
	12 mos.	3,956,485	84,055	4,040,540	4,440,241	613,208	628,450	165,996	729,087	777,873	65,456	3,281,664	3,483,153	80.72	78.67	809,130	951,319	498,296	448,510	551,323
Chesapeake & Ohio	3 mos.	240,662	9,167	249,829	204,068	63,958	30,005	41,207	103,983	50,183	34,668	428,749	212,093	171.61	103.93	(263,023)	445	(87,347)	(171,459)	2,214
	12 mos.	986,853	34,034	1,020,887	1,050,474	166,021	140,606	68,303	262,465	233,667	46,236	1,058,215	908,906	103.65	86.52	(95,300)	204,446	(1,060)	(59,061)	142,346
Chicago & North Western	3 mos.	178,820	26,442	205,262	205,579	39,887	34,310	5,205	50,589	50,255	3,501	202,709	199,676	98.75	97.12	(1,072)	(11,830)	6,885	(21,404)	(9,955)
	12 mos.	721,428	102,233	825,861	882,060	153,210	130,546	24,539	196,624	212,448	15,375	801,000	819,966	97.24	92.96	(11,349)	23,799	28,992	(26,067)	20,899
Conrail	3 mos.	742,047	28,139	770,186	782,345	104,912	117,326	23,296	173,329	186,794	35,362	670,329	721,009	87.03	92.15	112,066	89,529	85,648	112,066	89,529
	12 mos.	3,039,311	114,337	3,153,648	3,321,620	454,978	484,448	90,623	698,106	749,175	140,354	2,763,831	2,872,095	86.63	86.46	441,809	500,173	309,064	441,809	500,173
Delaware & Hudson	3 mos.	27,039	286	27,325	28,977	5,148	5,282	276	8,546	9,386	137	28,027	32,522	102.58	112.23	(790)	(3,740)	(988)	(790)	(3,740)
	12 mos.	109,125	1,515	109,640	123,282	19,216	21,279	1,071	32,820	38,006	583	112,311	128,276	102.43	104.11	(3,247)	(6,537)	(2,996)	(3,247)	(6,537)
Denver & Rio Grande Western	3 mos.	76,085	1,406	77,491	85,289	12,390	17,966	3,649	13,914	16,098	3,324	67,692	79,112	87.35	92.75	11,837	6,169	5,053	6,929	5,785
	12 mos.	320,254	5,209	325,463	358,373	50,369	60,352	14,459	59,458	68,555	13,293	287,134	324,696	88.22	90.60	39,416	31,873	23,495	24,051	23,150
Elgin, Joliet & Eastern	3 mos.	13,818	5,862	19,680	18,220	3,549	3,220	996	3,506	3,077	1,969	20,890	18,767	106.14	103.00	334	232	(1,329)	215	(186)
	12 mos.	59,455	25,532	84,987	90,245	14,245	14,481	2,395	13,792	13,895	7,976	83,137	83,088	97.82	92.06	8,113	12,884	(1,273)	4,580	7,448
Florida East Coast	3 mos.	30,855	734	31,589	32,832	3,785	5,111	1,221	5,062	4,995	1,187	22,774	24,020	72.09	73.16	10,823	9,712	4,535	6,543	5,915
	12 mos.	115,558	2,230	117,788	121,479	18,013	17,849	4,904	21,762	19,831	4,652	91,441	89,560	77.63	73.72	40,695	45,005	9,284	23,632	26,865
Grand Trunk Western	3 mos.	84,548	3,332	87,880	89,767	11,278	9,373	1,889	17,436	17,980	1,575	85,901	82,575	97.96	91.76	1,264	6,044	1,366	2,256	7,685
	12 mos.	329,308	13,639	342,947	341,118	42,874	40,219	6,554	71,072	74,875	6,491	338,118	331,006	96.59	97.03	951	3,267	6,284	6,190	7,536

Illinois Central Gulf	3 mos.	190,827	17,251	208,078	229,797	26,355	22,338	10,845	59,634	73,360	5,683	196,732	216,938	94.54	94.40	20,152	5,916	6,879	16,903	7,054				
	12 mos.	807,879	72,639	880,518	954,689	115,202	111,258	45,702	261,530	283,881	20,911	836,747	892,102	95.02	93.44	36,840	71,787	33,256	29,368	62,353				
Kansas City Southern	**3 mos.**	**71,808**	**3,732**	**75,540**	**83,344**	**13,009**	**11,343**	**3,791**	**16,086**	**16,902**	**5,235**	**64,602**	**67,206**	**85.52**	**80.63**	**9,268**	**14,763**	**7,332**	**5,534**	**8,851**				
	12 mos.	**302,180**	**14,524**	**316,704**	**331,480**	**48,882**	**47,776**	**14,763**	**68,982**	**73,251**	**21,380**	**270,164**	**277,042**	**85.30**	**83.58**	**39,387**	**47,427**	**31,444**	**23,782**	**29,567**				
Missouri-Kansas-Texas	3 mos.	55,164	2,492	57,656	63,011	10,152	12,821	2,970	13,148	13,952	2,260	57,412	60,690	99.57	96.31	(4,108)	(877)	675	(3,136)	(77)				
	12 mos.	251,483	11,619	263,102	275,564	49,311	52,985	10,612	62,137	65,782	7,555	251,483	259,399	95.58	94.13	(54)	7,057	7,331	(5,681)	7,857				
Missouri Pacific	**3 mos.**	**367,978**	**12,759**	**400,737**	**439,228**	**49,367**	**68,276**	**13,057**	**94,502**	**99,088**	**19,256**	**362,878**	**419,516**	**90.56**	**85.72**	**18,764**	**25,700**	**50,281**	**35,888**	**23,299**				
	12 mos.	**1,607,999**	**47,996**	**1,655,995**	**1,795,227**	**234,801**	**262,484**	**50,983**	**397,076**	**398,052**	**74,915**	**1,544,635**	**1,606,604**	**93.27**	**88.60**	**49,827**	**177,867**	**141,711**	**71,017**	**129,916**				
Norfolk & Western	3 mos.	418,844	15,162	434,026	364,220	65,237	58,016	12,588	88,379	64,507	11,27	964	310,641	81.25	85.28	102,861	68,262	42,687	62,369	46,017				
	12 mos.	1,655,060	65,796	1,720,856	1,716,156	249,728	270,100	44,958	348,335	317,995	50,9	93	1,366,291	79.37	79.61	408,550	457,078	170,397	281,306	263,918				
St. Louis Southwestern	**3 mos.**	**93,687**	**1,640**	**95,336**	**104,388**	**16,444**	**13,741**	**4,430**	**21,735**	**26,395**	**5.**	**3**	**94,265**	**89.93**	**89.78**	**10,528**	**19,777**	**6,763**	**7,668**	**16,150**				
	12 mos.	**363,686**	**6,302**	**390,088**	**438,211**	**59,773**	**55,349**	**17,957**	**98,626**	**110,242**	**21,6**	**228**	**394,047**	**92.85**	**90.33**	**31,813**	**61,434**	**17,276**	**31,229**	**44,566**				
Seaboard	3 mos.	633,571	12,644	646,215	673,774	253,143	86,528	176,381	245,210	168,795	64,548	948,112	594,529	146.07	88.02	(345,240)	75,375		(196,056)	45,327				
	12 mos.	2,584,369	60,624	2,644,993	2,765,804	540,764	345,205	232,549	746,809	679,928	97,220	2,684,530	2,387,148	101.05	85.07	(87,417)	369,261	(140,007)	(14,677)	246,315				
Soo Line	**3 mos.**	**151,226**	**5,905**	**157,131**	**77,872**	**34,152**	**15,001**	**8,538**	**41,081**	**19,023**	**3,010**	**159,582**	**72,229**	**101.55**	**92.75**	**6,572**	**6,811**	**(3,970)**	**4,576**	**4,040**				
	12 mos.	**580,776**	**19,597**	**600,373**	**319,524**	**124,691**	**61,626**	**27,245**	**151,848**	**72,688**	**13,205**	**597,922**	**282,301**	**99.59**	**92.63**	**(10,646)**	**29,613**	**13,102**	**(2,056)**	**18,002**				
Southern	3 mos.	410,785	9,229	420,014	445,943	52,876	43,059	11,261	82,677	77,695	19,591	334,528	326,290	79.64	73.16	90,381	113,863	48,664	52,736	62,457				
	12 mos.	1,665,005	39,333	1,704,338	1,795,407	238,694	234,412	67,018	350,514	349,526	76,887	1,365,735	1,406,251	78.32	78.32	341,018	367,636	210,189	207,687	221,125				
Southern Pacific	**3 mos.**	**466,286**	**16,857**	**483,245**	**537,632**	**84,060**	**67,585**	**23,078**	**132,253**	**147,224**	**19,432**	**486,523**	**530,515**	**100.67**	**98.67**	**45,955**	**41,839**	**12,969**	**61,802**	**54,355**				
	12 mos.	**1,969,494**	**64,306**	**2,053,880**	**2,198,563**	**270,290**	**239,906**	**82,573**	**565,914**	**626,734**	**79,457**	**2,064,407**	**2,172,973**	**100.51**	**99.28**	**89,546**	**68,082**	**16,344**	**116,976**	**137,199**				
Union Pacific	3 mos.	472,634	5,781	478,415	487,418	71,210	84,541	17,769	93,010	109,807	22,191	403,566	440,023	84.35	90.27	86,088	48,506	43,238	54,435	32,765				
	12 mos.	1,875,105	21,781	1,896,886	1,920,860	285,019	299,479	69,362	374,162	430,281	90,248	1,639,031	1,725,940	86.40	89.85	267,639	183,754	157,560	167,145	122,690				
Western Pacific	**3 mos.**	**39,924**	**610**	**40,734**	**30,883**	**7,637**	**6,856**	**1,305**	**9,534**	**8,933**	**702**	**50,085**	**40,297**	**122.90**	**131.33**	**(9,824)**	**(7,734)**	**(2,884)**	**(3,483)**	**572**				
	12 mos.	**154,135**	**2,680**	**156,815**	**146,740**	**29,848**	**27,467**	**4,280**	**37,682**	**33,314**	**3,840**	**184,325**	**163,315**	**117.54**	**111.29**	**(34,216)**	**(23,632)**	**(8,449)**	**(13,155)**	**(8,826)**				

Source: Interstate Commerce Commission

ADVERTISING SALES

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